



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

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*Lieutenant Governor*

February 7, 2007

CERTIFIED RETURN RECEIPT  
7004 2510 0004 1824 4431

Chemical Lime of Arizona  
Jim Kelley  
Mining & Exploration Department  
P.O. Box 985004  
Fort Worth, Texas 76185-5004

Subject: Five-Year Review of Reclamation Surety Estimate, Chemical Lime of Arizona, Marblehead Mountain Processing Plant, M/045/024, Tooele County, Utah

Dear Mr. Kelley:

The Division requested Chemical Lime to provide us with updated information on this mine in February of 2006. No map or other requested information was provided. At this time the reclamation surety will only be escalated. The surety escalated to the year 2012 is \$456,200. A Surety Estimate Update is attached for your use.

Please contact Ms. Beth Ericksen, Division Minerals Surety Coordinator concerning the issuance of a rider for the increased amount. She will also review with you the current surety document and reclamation contract to discuss required updates. She can be reached at (801) 538-5318 or [bethericksen@utah.gov](mailto:bethericksen@utah.gov). Please provide the updated surety within 60 days or no later than April 15, 2007. A Surety Estimate Update is attached for your use.

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at (801) 538-5258 or Doug Jensen at (801) 538-5382.

Sincerely,

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:pb

Attachment: Surety estimate update

cc: Doug Jensen, DOGM  
Beth Ericksen, DOGM

P:\GROUPS\MINERALS\WP\M045-Tooele\M0450024-MarbleheadMtnProcessingPlant\Final\02062007bond-escalfinal1.doc

# SURETY ESTIMATE UPDATE

Chemical Lime Company

Date Jan 18,2007

Marblehead Mountain Process FILE # M0450024

Tooele County

Prepared by Utah Division of Oil, Gas & Mining

Last Update

2/10/2001

## DESCRIPTION:

- Previous reclamation surety estimate was \$382,600000 in year 2006 dollars
- Reclamation Estimate base amount calculated in 1988-\$
- This estimate does not include topsoil redistribution or mulch application
- This estimate includes demolition and removal of processing buildings and structures.
- This update adjusts the surety amount for escalation only.
- Escalation factors through 2006 are actual Means Historical Cost Indices
- Total disturbed area = 80 ACRES

CALCULATIONS $F = P(1 + i)^n$	YR	ESCAL FACTOR	BOND AMOUNT
	1986	0.0210	\$0
	1987	0.0195	\$0
	1988	0.0181	\$239,800
	1989	0.0177	\$244,044
	1990	0.0077	\$245,924
	1991	0.0127	\$249,047
	1992	0.0221	\$254,551
	1993	0.0261	\$261,195
	1994	0.0321	\$269,579
	1995	0.0193	\$274,782
F = Future Sum	1996	0.0242	\$281,431
P = Present Sum	1997	0.0236	\$288,073
i = Escalation Factor	1998	0.0502	\$302,535
n = number of periods	1999	0.0191	\$308,313
	2000	0.0244	\$315,836
Three Yr Average =3.20%	2001	0.0421	\$329,132
Used to Project 5 Yrs	2002	0.0202	\$335,781
From the Year 2007	2003	0.0171	\$341,523
	2004	0.0084	\$344,392
	2005	0.0399	\$358,133
	2006	0.0544	\$377,615
	2007	0.0320	\$389,699
	2008	0.0320	\$402,169
	2009	0.0320	\$415,039
	2010	0.0320	\$428,320
	2011	0.0320	\$442,026
	2012	0.0320	\$456,171
Updated Surety Amount Rounded (2012-\$)			\$456,200

\*\* Average cost per acre = 5525 (\$/ACRE)